

Financial Services Practice

Banking trends snapshot: Finding value from innovation

Analyzing a decade of banking innovation identifies clear trends for the industry's direction and how leaders can gain a competitive advantage. Hint: It's not about doing more.

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June 2026



June 4, 2026 - The data points in this blog post are based on research by [McKinsey Panorama](#).

Four key insights for banking

Our research yielded four key insights for the banking industry to consider (see sidebar, “More about McKinsey Panorama and Idea Analytics”):

- The industry remains awash with “next big things,” demanding it accelerate its ability to cope.
- Two next big things dominate: AI and digital assets, such as blockchain. And both remain untested at scale.
- For all the efforts to tailor customer journeys, the industry still isn’t there. But AI offers a new path to personalization at scale.
- Coping with the innovation crush requires banks to adopt a high-speed portfolio-management approach similar to a venture capital (VC) firm or start-up incubator.

Insight 1: The industry is drowning in next big things

Our analysis shows the banking sector has thousands of “next big things”—products and services with high launch frequency but low penetration, represented in the top-left quadrant of the exhibit. This points to the challenge facing banks, which today have disproportionate exposure—and expend heavy resources—innovating and experimenting with unproven technologies. The solution is not to stop advancing but for the industry to accelerate its ability to understand trends, incubate ideas, and quickly analyze what’s working (and what’s not).

Insight 2: Innovation is dominated by AI and digital assets

Two next big things dominate, and it isn’t close. AI and digital assets products sit at the very top left of the top left quadrant, accounting for around 70 percent of the top 1 percent of ideas ranked by penetration and growth. Yet both remain untested at scale, and for AI specifically, positive momentum has not translated to universal adoption: While 88 percent of companies have adopted AI in at least one business function, just 7 percent have deployed it fully. If banks want to transform their operating model, merely deploying AI is not enough; our analysis suggests competitive advantage will come from integrating it into core decision-making and revenue engines.

More about McKinsey Panorama and Idea Analytics

[McKinsey Panorama](#) equips financial institutions with data and insights that can help them define strategies and accelerate innovation. Panorama offers granular intelligence on banking market-sizing, customer segmentation, and innovations through a model designed around client needs. Panorama’s core offerings include [Banking Pools](#) and [Idea Analytics](#).

Idea Analytics, the gen AI-enabled platform that powered the analysis in

this article, is an automated database that provides a comprehensive, evidence-based overview of banking innovation initiatives worldwide. Updated every month, it covers more than 20 million data points on financial products and services from about 10,000 banks and fintechs. The data—from public sources such as corporate investor reports, press releases, and trusted news outlets—is synthesized with gen AI and verified by McKinsey experts. The database contains

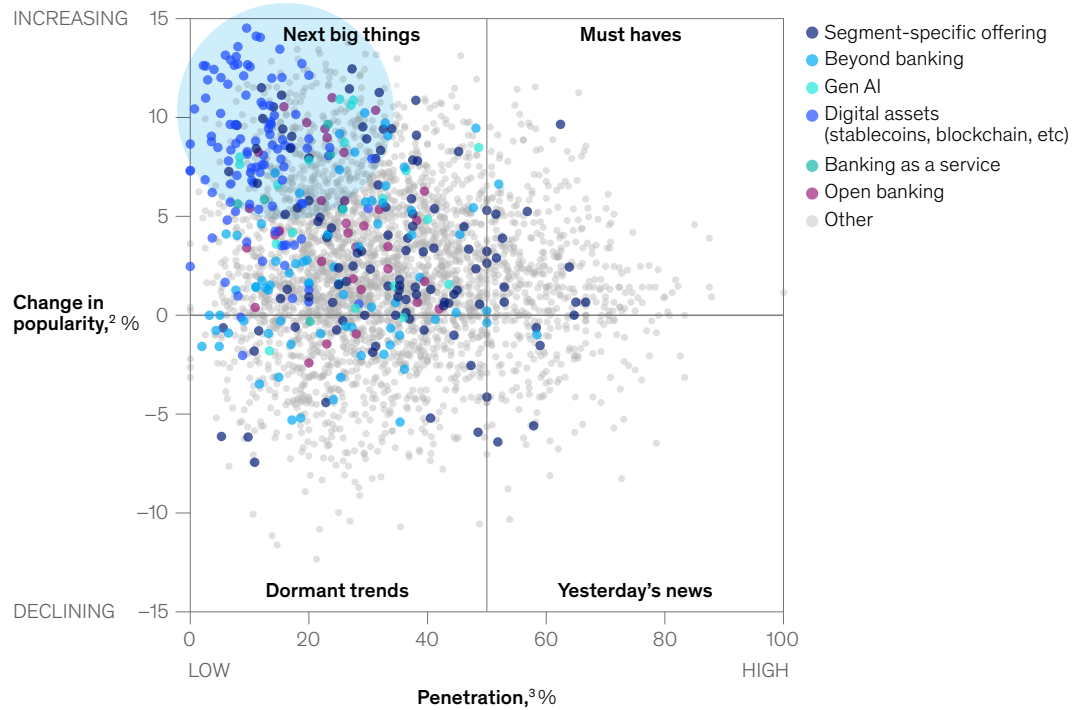
roughly 300,000 products and services, grouped into about 4,000 idea clusters by unsupervised learning algorithms.

Use cases for clients seeking data-driven support for strategic decisions include identifying innovative products to build, spanning core banking and beyond-banking offerings; assessing company-specific solutions; comparing competitors’ portfolios; and finding and evaluating potential fintech partnerships and M&A targets.

Exhibit 1

Bank and fintech innovation is focused on AI and digital assets—but these are also risky bets.

Ideas launched by global banks and fintechs, 2016–25¹



¹The analysis identifies 3,458 distinct ideas (value propositions) by clustering ~300,000 real-world products, services, and innovations launched by banks and fintechs globally. Each idea cluster groups multiple real-world examples of similar offerings (eg, "green mortgage" cluster or idea includes actual products from various banks and fintechs globally).
²Change in idea launch frequency compared with average over the past 10 years (ie, increasing popularity means that the idea is being launched more often than the average idea).
³Share of ideas launched by sample set of 10,000 of the largest banks and fintechs globally.
 Source: McKinsey Panorama Idea Analytics

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Insight 3: AI finally offers a path to personalization at scale

Banks have long undertaken efforts to tailor customer journeys, leaving related products firmly in the high-penetration quadrant of our matrix. Yet while once-revolutionary ideas such as customized senior financial packages, multitier banking loyalty, cash back rewards credit cards, and tailored working-capital financing solutions are now widely adopted and no longer drive differentiation on their own, true personalization remains out of reach. AI has the potential to change that.

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Insight 4: High-speed portfolio management is essential

The dizzying array of products and services—all with varying degrees of sophistication, maturity, and long-term viability—underscores the need for high-speed portfolio management within multispeed banking organizations. What’s required is managing innovations critical to core operations with care and control while adopting a high-speed approach similar to VC firms or start-up incubators for other parts of the portfolio. That means making decisions much more rapidly about which next big things will fail, which could serve profitable niches, and which are likely to become business as usual.

The ability of banks to gain an advantage through innovation is increasingly shaped by product and service prioritization, not volume. And the explosion of products and services in the past decade has made it hard to clearly identify how the industry has changed and where future opportunities may lie. Taking a panoramic view could make all the difference, empowering leaders with the information they need to make more precise and deliberate strategic choices.

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